Investment by NRIs

†2993. SHRI LALIT KISHORE CHATURVEDI: Will the Minister of FINANCE be pleased to state:

the number of Indian companies and private entrepreneurs allowed investment abroad during the year 2005-06 and 2006-07 and outflow of money involved therein;

the number of NRI foreign corporate institution allowed for investment in capital account in India during the same period and the amount invested by them; and

the sectors where this investment has been made?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) The phased liberalization of the policy of overseas investments has enabled Indian corporates to invest up to 400% of their net worth overseas without any prior permission from the Reserve Bank of India (RBI). The Authorized Dealers of the RBI subsequently report the outflows which are then maintained in the database of the RBI. While the RBI's database accounts for each remittance separately, the details of the number of companies that have made the remittances overseas are not separately maintained by it. The details of investments made abroad by Indian companies and private entrepreneurs during the years 2005-06 and 2006-07 and the outflow of money involved therein are given below:—

Total outflow in USD (million)

Activity	2005-2006	2006-2007
Financial Services	159.80	28.10
Manufacturing	3407.40	3543.50
Non financial Services	894.50	7485.85
Others	205.43	1479.11
Trading	377.46	654.96
GRAND TOTAL:	5044.59	13191.52

(b) and (c) A company, partnership firm, society and other corporate body owned directly or indirectly to the extent of at least sixty per cent by Non-Resident Indians or an overseas trust in which not less than sixty per cent beneficial interest is held by Non-Resident Indians directly or indirectly is called Overseas Corporate Body (OCB). OCBs have been de-recognised as eligible class of investors *vide* Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies) Regulations, 2003 dated 3.10.2003. No OCB has thus been allowed to invest afresh in India after 3.10.2003.

Service Tax on House Rent

†2994. SHRI BANWARILAL KANCHHAL: Will the Minister of FINANCE be pleased to state:

(a) whether he is aware that there is a provision in the act for payment of service tax to the house owner on the income received from tenancy whereas the tenanats refuse to pay the same to house owner;

† Original notice of the question was received in Hindi.

whether Government would issue an order after amending the act, to make the tenant pay the service tax; and

if so, by when?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Service tax is leviable on renting of immovable property for use in the course or furtherance of business or commerce [section 65(105)(zzzz) of the Finance Act, 1944] *w.e.f.* 01.06.2007. Service Tax is not leviable on buildings used solely for residential purposes. Hence, the question of payment of service tax on house rented to a tenant for residential purposes does not arise.

(b) and (c) Does not arise in view of (a) above.

Apprehension over Pay Commission Report

2995. SHRI RAMACHANDRA KHUNTIA: Will the Minister of FINANCE be pleased to state whether Government has started negotiation or discussion with Central Government Employees' Associations and Unions to clarify their apprehension in view of the Pay Commission having submitted its report to Government?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): No, Sir.

Allowances and benefits for employees of Gramin Banks

2996. SHRI RAMACHANDRA KHUNTIA: Will the Minsiter of FINANCE be pleased to state:

whether it is a fact that the Gramin Bank Officers and employees are not getting allowance and other benefits at par with Nationalised Banks.

whether there is also ceiling in deduction is of provident fund for Gramin Bank Officers and employees; and

if so, the details thereof and the reasons therefor?

THE MINSITER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) The pay Scales, Dearness Allowance, House Rent Allowance and City Compensatory Allowance of the Regional Rural Banks' (RRBs) employees have been revised equal to the corresponding categories of employees of Nationalised Banks *vide* Government of India's letter dated 6.10.2005 to be effective from 1st November, 2002. As regards the other allowances, the individual Sponsor Bank is required to negotiate the same with the RRBs sponsored by them.

(b) and (c) RRBs employees are governed under Employee Provident Fund and Misc. Provisions Act, 1952. As per this Act, RRBs employees and officers contribute 12% of their Pay and Dearness Allowance to Provident Fund with an equal amout of contribution by the Banks upto a ceiling of Pay and Dearness Allowance of Rs. 6500/-.